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VIA FIRST CLASS MAIL & ELECTRONIC MAIL

January 20, 2021

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: **Docket 5079 – National Grid’s Tariff Advice Filing
To Amend RIPUC NG-GAS-No. 101
Response to PUC Data Request – Set 2**

Dear Ms. Massaro:

On behalf of National Grid,¹ enclosed is an electronic version of the Company’s response to the Public Utilities Commission’s Second Set of Data Request in the above-referenced matter.

Thank you for your attention to this filing. If you have any questions, please contact me at 401-709-3359.

Very truly yours,



Steven J. Boyajian
Enclosure

Copy to: Docket 5079 Service List

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

Docket No. 5079 – National Grid –Tariff Advice Filing to Amend DAC (AGT Provision) - Service List as of 11/5/2020

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PUC 2-1

Request:

Referring to Attachments 1-1-1 and 1-1-2 on the response to PUC 1-1, please provide a separate table which identifies each study in the attachments where a U.S. state-regulated gas distribution company made a proposal to its applicable state regulator and the regulator specifically granted the gas distribution company cost recovery through either:

- (i) a rate allowance in a base distribution rate case that specifically identified the study cost and allowed the cost in the revenue requirement calculation upon which base rates were established, or
- (ii) recovery through another cost recovery mechanism, where the regulated entity specifically identified the study cost and the regulator granted cost recovery through the applicable mechanism (please identify the nature of the mechanism in such instance).

In providing a response, please note the following for purposes of the response:

- (i) "National Grid USA" is not a regulated gas distribution company that has base rates. For that reason, please be specific to the actual regulated entity that obtained cost recovery in gas distribution rates, and
- (ii) the payment of "dues" to an organization that sponsored a study does not constitute obtaining cost recovery of the study in base rates, even if the dues was recovered in base rates.

Response:

None of the studies included in the Company's response to Data Request PUC 1-1 were proposed in a National Grid USA gas distribution company base rate proceeding in which cost recovery was specifically approved by regulators as an allowance in the revenue requirement or through a separate recovery mechanism.

However, there are examples of programs that have been proposed by National Grid electric and gas distribution companies, approved by regulators, and implemented to achieve adoption of technologies that benefit customers, the electric and gas networks, and the environment. The Company's AGT program was one such program. The AGT program was initially established as a Demand Side Management program to encourage the use of natural gas technologies to increase the use of natural gas throughout the year to the benefit of all customers. The PUC saw merit in the program and approved the AGT for recovery in base distribution rates in Docket No.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5079
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Amend RIPUC NG-GAS-No. 101
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Issued December 1, 2020

2025. The AGT program was modified in Docket No. 4770 to eliminate funding through base distribution rates and allow for cost recovery through the Distribution Adjustment Clause of the Company's tariff, subject to approval after a presentation of the costs to the PUC for examination.

While there have been successes and great learning from the AGT program, the opportunities to implement AGT in Rhode Island have been more limited than was envisioned when the PUC initially approved the program. The Company's proposal in this proceeding is intended to initiate work that is different in nature than the AGT program, but with a similar goal of encouraging and facilitating the use of affordable renewable gas (e.g., biogas and hydrogen) technologies and leveraging the continued use of the gas network to the benefit of all customers. While the costs may be labeled "studies," they are costs intended to ultimately achieve the same benefits that the Company and PUC have previously determined were worthy uses of customer resources.

National Grid is proceeding with initiatives that it believes will advance Rhode Island's and the region's goal of decarbonizing the economy through reliance on renewable energy and attendant technologies, whether or not the PUC approves the Company's the proposal in the proceeding. The Company believes the achievement of this goal will ultimately be accomplished more efficiently, more targeted to the needs of Rhode Island gas customers and would benefit from the involvement and input of the PUC, the Division and other parties if the Company's proposal were approved.